

Message Text

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ACTION NEA-06

INFO OCT-01 ISO-00 AID-05 SWF-01 AGR-03 IGA-01 CIAE-00

DODE-00 PM-03 H-01 INR-10 L-02 NSAE-00 NSC-07 PA-01

RSC-01 PRS-01 SP-02 SS-14 USIA-04 EB-03 OMB-01 CIEP-01

COME-00 TRSE-00 DRC-01 /069 W

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R 081520Z OCT 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 4378

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FOLLOWING TEL SENT ACTION NEW DELHI INFO CALCUTTA AND MADRAS
FROM BOMBAY OCT 4, 1974, REPEATED TO YOU. QUOTE

LIMITED OFFICIAL USE BOMBAY 2383

E.O. 11652: N/A

TAGS: PINT EAGR SWEL IN

SUBJ: GUJARAT AND THE POLITICS OF FOOD

1. SUMMARY. I SPENT YESTERDAY 3RD AND THIS MORNING 4TH IN AHMED-
ABAD IN ORDER TAKE CURRENT READING ON DROUGHT SITUATION GUJARAT.
ALL THOSE IN GOG WITH WHOM I TALKED VIEWED SITUATION AS SERIOUS
BUT MANAGEABLE AND WERE CONFIDENT THAT WITH GOI FINANCIAL
AND FOODGRAIN ASSISTANCE WHICH EXPECTED TO BE FORTHCOMING -
ALTHOUGH EXPECTATIONS AS TO AMOUNTS VARIED - GUJARAT WOULD BRIDGE
GAP BETWEEN NOW AND NEXT MONSOON RAINS. I ENCOUNTERED NO DRAMA,
PANIC OR OVERKILL RHETORIC. NONE ANTICIPATED A SERIOUS LAW AND
ORDER SITUATION ARISING. NONE MENTIONED THE SECRETARY'S
VISIT NOT IN ANY WAY SUGGESTED NEED FOR U.S. AID ASSISTANCE OR
MANIFESTED HOPE THAT SUCH MIGHT BE FORTHCOMING. ON OTHER HAND,
MAVALANKAR, INDEPENDENT MP AHMEDABAD WITH WHOM I DINED EVE 3RD,
REFLECTED, NOT UNEXPECTEDLY, A GREATER DEGREE OF CONCERN THAN GOG
CIRCLES AND SAW NEED FOR FINANCIAL INPUTS AS GREATER AND WAS A
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LITTLE LESS SANGUINE ABOUT LAW AND ORDER SITUATION. END SUMMARY.

2. ON GOG SIDE I SAW GOVERNOR VISHWANATHAN, GOI SPECIAL ADVISOR SARIN, AND CHIEF SECRETARY SADHWANI. COMMISSION FOR RELIEF OPERATIONS SHAH WAS TIED UP WITH GOVERNOR'S STATE-LEVEL COMMITTEE ON SCARCITY RELIEF WHICH WAS IN SESSION MOST OF 3RD IN AHMEDABAD. ALL THOSE I SAW ATTENDED THIS MEETING INCLUDING MAVALANKAR. EX-CHIEF MINISTERS GOG ATTENDED MEETING AS WELL INCLUDING CHIMANBHAI PATEL WHO TRACKED ME DOWN IN THE HOTEL ON ARRIVAL AND ASKED TO COME AND SEE ME. I DECLINED SUGGESTING HE COME SEE ME IN BOMBAY IF HE WISHED. HE DIDN'T PRESS AND I DEEMED IT INADVISABLE SEE HIM SINCE HE MRS GANDHI'S MAJOR OPPONENT AND THREAT IN GUJARAT TODAY. IF I HAD SEEN HIM I AM SURE HE WOULD HAVE BLASTED GOI FOR NOT DOING ENOUGH FOR GUJARAT, ETC.

3. IN MY MEETING WITH GOVERNOR, HE UNDERScored SERIOUSNESS DROUGHT SITUATION SAYING GUJARAT PERHAPS MOST SERIOUSLY DROUGHT AFFECTED STATE IN INDIA IN TERMS RAINFALL THIS MONSOON. KUTCH AREA HARDEST HIT SINCE THIS FOURTH YEAR OF DROUGHT IN A ROW AND SAURASHTRA'S THIRD. OF SOME 18,000 GUJARATI VILLAGES, 13,000 HAVE BEEN ADVERSELY AFFECTED, 7,000 OF WHICH HAVE BEEN DESIGNATED THUS FAR AS SCARCITY AFFECTED VILLAGES WHICH MEANS INCREASED RATIONS. SOME 85 PER CENT OF GUJARAT'S PEOPLE ARE COVERED BY RATION CARDS AT PRESENT. EACH FAMILY EARNING UP TO RS 6,000 PER YEAR ARE GIVEN RATION CARDS. WILL CENTRAL ALLOCATION WHICH INCREASED TO 75,000 TONS IN OCTOBER SUFFICE? GOVERNOR SAID IT WOULD NOT. 8 KILOS PER PERSON PER MONTH ARE GIVEN TO THOSE WORKING ON SCARCITY RELIEF PROJECTS AND 5 KILOS TO OTHERS WHICH AVERAGES OUT AT 3 KILOS PER PERSON PER MONTH. GOVERNOR EXPRESSED HOPE CENTRE WOULD INCREASE ALLOCATION EACH MONTH BETWEEN NOW AND NEXT MONSOON SINCE REQUIREMENT WILL INCREASE WITH EACH PASSING MONTH. NUMBER OF SCARCITY DESIGNATED VILLAGES WILL INCREASE FROM 7 TO 13,000 WHICH INVOLVES ADDITIONAL QUOTAS TO WORKERS AND FARMERS WHO HAVE LOST CROPS. BY IMPLICATION GOVERNOR INDICATED THAT GUJARAT WOULD TAKE UP SLACK TO EXTENT NECESSARY BY LOWER QUOTAS. HE WOULDN'T VENTURE AN ESTIMATE OF WHAT 1974/75 HARVEST MIGHT BE BUT DIDN'T THINK IT WOULD BE HALF THAT FORECAST. (ORIGINAL FORECAST ABOUT 4 MILLION TONS.) HE SAID RECENT RAINS HAD HELPED FODDER SITUATION IN KUTCH AND CATTLE BREEDERS THERE PRESENTLY PLANNING REMAIN IN HOPE FURTHER RAINS MAY BE FORTHCOMING IN OCTOBER WHICH WOULD INCREASE GRASS LIMITED OFFICIAL USE

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YIELD. GOVERNOR SAID HE HAD NO FIGURES ON CATTLE DEATHS BUT DID NOT SUGGEST THAT THESE HAD BEEN SIGNIFICANT. HE ALSO SAID THAT THERE HAD BEEN NO STARVATION DEATHS BUT ADDED THAT OPPOSITION POLITICIANS IN ANTICIPATION UPCOMING ELECTIONS SEEKING EXPLOIT AND SENSATIONALIZE DROUGHT SITUATION TO DETRIMENT GOVT AS WERE ELEMENTS PRESS. ONLY KIND OF LAW AND ORDER PROBLEM GOVERNOR ENVISAGED AS DEVELOPING WOULD BE THEFTS AND LOOTING OF FOODGRAINS. THESE LIKELY INCREASE WITH

EACH PASSING MONTH ALTHOUGH THERE HAD ONLY BEEN ONE OR TWO INSTANCES OF THIS KIND IN STATE THUS FAR.

4. GOVERNOR STRESSED NEED GOG RECEIVE FINANCIAL ASSISTANCE FROM CENTRE. HE THOUGHT STATE MIGHT NEED AS MUCH AS 124 CRORES (ABOUT ONE AND ONE-QUARTER BILLION RUPEES) OVER NEXT 12 MONTHS FOR SCARCITY RELIEF WORKS INCLUDING PAYMENT WORKERS (PAY RS 3 PER HEAD). FORMERLY GOI ASSUMED 75 PER CENT BUT THAT OUT NOW WITH 6TH FINANCE COMMISSION REPORT. ONLY 4.55 CRORES ARE NOW PROVIDED ANNUALLY IN PLAN FOR SUCH PURPOSES IN GUJARAT AS COMPARED POSSIBLE NEED 124 CRORES. WHERE IS DIFFERENCE TO COME FROM? GOVERNOR SAID STATE HAD SOME BUDGETED WORKS WHICH WOULD PROVIDE EMPLOYMENT AND STATE WILL ALSO ADVANCE WORKS PROJECTED OVER 5 YEAR PLAN. ALSO EXPLORING DROUGHT PRONE PROJECTS WHERE CENTRE AND STATE WILL SHARE COST ON 50-50 BASIS. THESE BUDGETED AT 38 CRORES OVER 5 YEARS AND GOG WILL SEEK ADVANCE TO THIS YEAR WHICH WOULD PROVIDE CENTRAL SHARE OF 19 CRORES. ALSO EXPLORING POSSIBLE STARTUP IN GUJARAT OF CERTAIN CENTRAL PROJECTS SUCH AS RAILWAYS, AT LEAST EARTH WORKS. EVEN WITH ALL THESE GUJARAT WILL STILL NEED CENTRAL HELP ON EXCEPTION BASIS. AS FOR SELF-SUFFICIENCY IN 18 MONTHS AS PROMISED TO PM DURING HER VISIT AHMEDABAD BEGINNING AUGUST (BOMBAY 1836), GOVERNOR SAID THIS OUT OF QUESTION NOW. AS FOR LONGER TERM SOLUTION HE ACKNOWLEDGED USE NARMADA RIVER WATERS PROBABLY ONLY SOLUTION (BOMBAY 1692) APART FROM DESALINIZATION IN EVENT IT WERE TO BECOME ECONOMICALLY POSSIBLE.

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ACTION NEA-06

INFO OCT-01 ISO-00 AID-05 SWF-01 AGR-03 IGA-01 CIAE-00

DODE-00 PM-03 H-01 INR-10 L-02 NSAE-00 NSC-07 PA-01

RSC-01 PRS-01 SP-02 SS-14 USIA-04 EB-03 OMB-01 CIEP-01

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R 081520Z OCT 74

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5. SARIN, WHO OCCUPYING FORMER CHIEF MIN'S OFFICE, WAS MUCH LESS FORTHCOMING BUT NONETHELESS CONFIDENT. HE ALSO STRESSED SERIOUSNESS SITUATION BUT CONSIDERED IT MANAGEABLE. HE VOLUNTEERED AT OUTSET THAT HE DID NOT ANTICIPATE A LAW AND ORDER PROBLEM ARISING FROM DROUGHT SITUATION. THING THAT MADE PRESENT SITUATION WORSE THAN THAT OF 1972/73 WAS THAT 1972 HAD BEEN PRECEDED BY TWO GOOD CROP YEARS. THERE WERE NO RESERVES TO FALL BACK ON. GUJARAT PURCHASES SOME GRAIN FROM OTHER STATES BUT QUANTITIES WERE NOT SUBSTANTIAL (GOVERNOR USED "MEAGRE"). HE THOUGHT THAT THE CENTRAL FOOD INPUT WOULD NEED TO BE INCREASED FROM 75,000 TONS AS MUCH AS 100 TO 120,000 TONS MONTHLY BY NOVEMBER/DECEMBER IN ORDER MAINTAIN A SATISFACTORY LEVEL OF DISTRIBUTION. HE SAID THAT THERE WERE 25 MILLION PEOPLE IN PUBLIC DISTRIBUTION SYSTEM OUT OF A POPULATION OF 29 MILLION. SAW FINANCIAL INPUT AS ESSENTIAL AND SAID CENTRE CONSIDERING EXTENT TO WHICH IT COULD HELP IN CIRCUMSTANCES. ON ATTAINMENT SELF-SUFFICIENCY IN FOOD-GRAINS IN 18 MONTHS, SARIN SAID HE HAD MADE THE COMMITMENT TO PM BUT FAILURE OF RAINS AT BEGINNING OF AUGUST PRECLUDED THIS.

6. SADHWANI (HAD PREVIOUSLY BEEN SECRETARY FINANCE GOG), CONSIDERED CURRENT DROUGHT SITUATION ONLY "Marginally worse" THAN THAT OF 1972/73 WITH KUTCH MOST SERIOUSLY AFFECTED. EXCEPT LIMITED OFFICIAL USE

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FOR SOUTHERN DISTRICTS GUJARAT ALL OTHERS ADVERSELY AFFECTED VARYING DEGREE. WHILE RECENT RAINS HAD COME TOO LATE TO HELP KHARIF CROP THEY HAD HELPED ACUTE DRINKING WATER AND FODDER SITUATION AS WELL PROVIDE SOIL MOISTURE FOR RABI PLANTING. SAID GOG HAD CONSIDERED TRUCKING SOME 30,000 HEAD OF CATTLE FROM KUTCH TO SOUTHERN AREAS BUT THAT THIS DEEMED TOO CGSTLY AND WITH IMPROVEMENT IN GRASS COVER WITH RECENT RAINS CATTLE BREEDERS KUTCH NOW PREFER REMAIN. SADHWANI WAS QUITE CATEGORICAL IN RULING OUT ANY SERIOUS LAW AND ORDER PROBLEM ARISING FROM DROUGHT SITUATION. SAW MONEY AS MOST PRESSING NEED AND ESTIMATED STATE WOULD NEED SOME 100 CRORES FOR DROUGHT RELIEF ASSISTANCE FROM GOI. NEED MONEY PAY WORKERS ON RELIEF PROJECTS (ABOUT 175,000 ON PROJECTS CURRENTLY), FINANCE WATER MOVEMENT INTO WATER SHORT AREAS AS WELL MEDICAL SUPPLIES SUCH AS VITAMINS, AND TO SUBSIDIZE FODDER PURCHASES, ETC. CENTRE HAS STATE'S NEEDS UNDER CONSIDERATION AND HE BELIEVED EXCEPTION WOULD BE MADE. HE THOUGHT CENTRAL MONTHLY ALLOCATION 75,000 TONS WOULD SUFFICE MEET MINIMAL NEEDS IMMEDIATE FUTURE, BUT THOUGHT THIS WOULD HAVE TO BE INCREASED. HE THOUGHT 1974/75 CROP MIGHT LIKELY ATTAIN ABOUT TWO MILLION TONS (SELF-SUFFICIENCY ENVISAGES 5.1 MILLION) AND HE RULED OUT ATTAINMENT SELF-SUFFICIENCY IN 18

MONTHS. SAID NARMADA DAM ONLY LONG TERM SOLUTION. WITH THIS GUJARAT COULD BE A SURPLUS FOOD PRODUCER AND A MAJOR INDUSTRIAL COMPLEX. IN SUM, SADHWANI SATISFIED THAT WITH A REASONABLE LEVEL OF ASSISTANCE FROM CENTRE, GUJARAT WOULD MANAGE TO BRIDGE THE GAP UNTIL NEXT MONSOON RAINS. ONE FACTOR IN THIS HE SAID WAS THE EFFICIENCY AND LOW CORRUPTION LEVEL OF THE GUJARAT ADMINISTRATIVE SERVICE.

7. PROFESSOR MAVALANKAR, WHO DIRECTOR LASKI INSTITUTE POL SCI AHMEDABAD AS WELL MP, MANIFESTED A CONSIDERABLY GREATER DEGREE OF CONCERN THAN I DETECTED IN GOG CIRCLES OR PUT ANOTHER WAY HE LESS SANGUINE ABOUT THE EXTENT OF GOI ASSISTANCE AND THE ABILITY OF THE GOG TO SATISFY NEEDS OF SITUATION BETWEEN NOW AND NEXT JUNE WHICH WILL BECOME MOST ACUTE BY NEXT SPRING ESPECIALLY AS REGARDS WATER. IN RESPONSE MY QUESTION, HE SAID PEOPLE ARE NOT HAPPY WITH PRESIDENT'S RULE AND FEEL GOG ISOLATED FROM THEM IN ABSENCE ELECTED GOVERNMENT. MONEY IS A MAJOR PROBLEM HE SAID AND HE THOUGHT GUJARAT WOULD NEED LIMITED OFFICIAL USE

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NEARER 250 THAN 100 CRORES BETWEEN NOW AND NEXT MONSOON. HE SATISFIED GOI WILL HELP - IT MUST IN HIS VIEW - BUT HE NOT SURE WHETHER IT WILL DO ENOUGH. HE SEES A POSSIBLE LAW AND ORDER PROBLEM DEVELOPING IF NEEDS ARE NOT MET. ALSO SEES POSSIBILITY OF REEMERGENCE OF YOUTH MOVEMENT (GOVERNOR RULED THIS OUT). ALTHOUGH YOUTH NAVNIRMAN SAMITI HAD LARGELY DISAPPEARED FROM POLITICAL SCENE, MAVALANKAR SAID THERE ARE INDICATIONS FORMER STUDENT LEADERS GETTING TOGETHER AGAIN TAKING LEAD FROM JAYAPRAKASH. IN FACT HE SAID HE ADDRESSED A STUDENT GROUP ONLY THAT DAY (MOST TEACHERS AND STUDENTS BOYCOTTED CLASSES OCT 3, TEACHERS BECAUSE OF ALLEGED POLICE BEATING OF SOME SECONDARY TEACHERS ON 2ND AND STUDENTS IN SUPPORT BIHAR BANDH). SAID HE HAD ATTENDED GOVERNOR'S MEETING ON SCARCITY THAT DAY. HAD ASKED ABOUT COMMITMENT ATTAIN SELF-SUFFICIENCY IN 18 MONTHS POINTING OUT THIS NOW "SELF SURVIVAL" INSTEAD. HE HAD ALSO ASKED IF NARMADA DAM PROJECT COULD NOT BE ACCELERATED.

8. COMMENT. I CAME AWAY FROM GUJARAT WITH FEELING GOG TACKLING PROBLEM EFFECTIVELY, DOING ITS HOMEWORK, AND THAT THERE IS A BASIS FOR GOG CONFIDENCE THAT WITH HELP FROM CENTRE GUJARAT WILL MANAGE. IN FACT I WAS SOMEWHAT HEARTENED BY EXTENT TO WHICH GOG APPEARS TO BE FACING UP TO PROBLEM WITHOUT DRAMA, PANIC OR OVERDRAWN RHETORIC. I THINK THEY WILL MANAGE AND MAY BE THE BETTER FOR IT. I WAS STRUCK BY THE FACT THAT NO GOG OFFICIAL EVEN ASKED IF WE MIGHT BE ASSISTING GOI NOR DID I DETECT ANY FEELING OF EXPECTATION OF HELP FROM THIS QUARTER.
BANE

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Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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